

UNITED STATES DISTRICT COURT  
FOR THE  
EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,  
*Plaintiff*  
vs.

CIVIL NO. 15-03980

JOSEPH M. ROSS a/k/a JOSEPH ROSS,  
*Defendant*

**AMENDED COMPLAINT**

The United States of America, on behalf of its Agency, the Department of Education, by its specially appointed counsel, Thomas I. Puleo, Esquire, KML LAW GROUP, P.C., represents as follows:

1. This Court has jurisdiction pursuant to 28 U.S.C. Section 1345.
2. The last-known address of the Defendant, JOSEPH M. ROSS a/k/a JOSEPH ROSS ("Defendants") is 1024 Catharine Street, Philadelphia, PA 19147.

**COUNT I**

3. On or about March 3, 1998, Defendant executed a promissory note to secure a loan in the amount of \$2,625.00 from PNC Bank, guaranteed by the Pennsylvania Higher Education Assistance Agency, and reinsured by the United states Department of Education under the loan guaranty program authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. Section 1071 *et seq.* A true and correct copy of the promissory note is attached hereto as Exhibit "A".

4. Defendant is indebted to Plaintiff in principal amount of \$2,839.90, plus interest of \$1,641.36, for a total of \$4,481.26. A true and correct copy of the Certificate of Indebtedness is attached as Exhibit "B" ("Certificate of Indebtedness").

5. Demand has been made upon Defendant by Plaintiff for the sum due but the amount due remains unpaid.

WHEREFORE, the plaintiff demands judgment against Defendant in the amount of \$4,481.26, plus filing fees allowed pursuant to 28 U.S.C. Section 1914 in the sum of \$150.00, interest from the date of judgment at the legal rate of interest in effect on the date of judgment until paid in full, and costs of suit.

## **COUNT II**

6. On or about May 19, 1998, Defendant executed a promissory note to secure a loan in the amount of \$5,500.00 from PNC Bank, guaranteed by the Pennsylvania Higher Education Assistance Agency, and reinsured by the United states Department of Education under the loan guaranty program authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. Section 1071 *et seq.* A true and correct copy of the promissory note is attached hereto as Exhibit "C".

7. Defendant is indebted to Plaintiff in principal amount of \$2,840.22, plus interest of \$1,958.71, for a total of \$4,798.93. A true and correct copy of the Certificate of Indebtedness is attached as Exhibit "D" ("Certificate of Indebtedness").

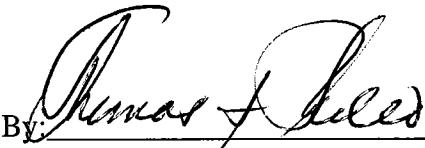
8. Demand has been made upon Defendant by Plaintiff for the sum due but the amount due remains unpaid.

WHEREFORE, the plaintiff demands judgment against Defendant in the amount of \$4,798.93, plus filing fees allowed pursuant to 28 U.S.C. Section 1914 in the sum of

\$150.00, interest from the date of judgment at the legal rate of interest in effect on the date of judgment until paid in full, and costs of suit.

Notice is hereby given to Defendant that Plaintiff intends to seek satisfaction of any judgment rendered in its favor in this action from any debt accruing.

United States of America by and through  
its specially appointed counsel  
KML Law Group, P.C.

By   
\_\_\_\_\_  
Thomas I. Puleo, Esquire

BNY Independence Center  
701 Market Street  
Suite 5000  
Philadelphia, PA 19106-1532  
(215)825-6309  
TPuleo@kmllawgroup.com

**Application and Promissory Note for  
Federal Stafford Loans (subsidized and unsubsidized)**

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097. OMB No. 1840-0717 Form Approved Exp. Date 03/31/89

**Borrower Section.**

1. &amp; 2. Borrower Name and Address

JOSEPH M. ROSS  
1024 CATHERINE STREET  
PHILADELPHIA PA 19147

3. Lender Name City State Zip Code

PNC BANK Pittsburgh Pa. 15222-36000

10. References? You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

Name: Beverly Ross  
Permanent Address: 1024 Catherine St.  
City, State, Zip Code: PHILA. PA. 19147  
Area Code/Telephone: (215) 922-8252  
Relationship to Borrower: MOTHER

**Guarantor or Program Identification**

**PHEAA** 11-00307  
U.S. 12/98

L009

PAFSAM

573777

Pennsylvania Higher Education Assistance Agency

Telephone Number: 1-800-602-7392

Please print neatly or type. Read the instructions on

2. Social Security Number

4. Telephone Number

5. Direct Debit Number (Not Blank Reservation First)

6. Loan Period (Month/Year)  
From: 9/98 To: 5/11

7. ZZ NOT APPLICABLE

8. Lender Code, if Known

9. Date of Birth (Month/Day/Year)

**Loan Assistance Requested**

11. I request the following loan type(s), to the extent I am eligible (see instructions):  
 12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement.  
 13. If I check yes, I am requesting postponement (deferral) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment.  
 14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest.  
 15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account.

a. Subsidized Federal Stafford  b. Unsubsidized Federal Staff  
\$ 5,500 .00  
 b. Yes, I want a deferral  b. No, I do not want a deferr  
 a. Yes, I want my interest capitalized  b. No, I prefer to pay the Inter  
 a. Yes, transfer funds  b. No, do not transfer funds

**Promissory Note**

Promise to Pay. I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and expenses. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of the Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side of the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAYED.

16. Borrower's Signature

Today's Date (Month/Day/Year) 5/19/98

PEIRCE COLL  
1420 PINE ST  
PHILADELPHIA PA 19102

00330900

Dear Student: This is the Federal Stafford Loan Application you requested. Please complete the item(s) whose number(s) are printed at the end of this paragraph, and place your signature and today's date in Item 16. Keep the last copy (Borrower Copy) of this form and mail the other two copies to the lender. Item(s): 05, 07, 08, 10, 11, 12, 13, 14, 15, 16.

**Lender Section**

31. Lender Name and Address

PNC EDUCATION LOAN CTR  
P.O. BOX 3177  
HARRISBURG PA 17105

32. Lender Code/branch: 809921 JUN 19 1998 To be completed by an authorized lending of.  
 33. Amount(s) Approved: \$809921 REC'D. UT# 108 B28900  
 34. Lender Use Only  
 35. Amount(s) Approved: \$809921 REC'D. UT# 108 B28900  
 36. Signature of Authorized Lending Official  
 37. Signature of Authorized Lending Official  
 38. Signature of Authorized Lending Official  
 Print or Type Name, Title, and Date

1/31/04

LENDER C

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Document Retained

EXHIBIT

Tables

"I declare under penalty of perjury that the foregoing  
is a true and correct copy of the promissory note."

Signature: Todd Mosko

Title: Vice President  
Loan Assets Management

Date: May 29, 2008

FOR VALUE RECEIVED, WE HEREBY ASSIGN ALL RIGHT TITLE AND INTEREST IN THIS PROMISSORY NOTE TO THE PENNSYLVANIA  
HIGHER EDUCATION ASSISTANCE AGENCY (PHEAA)

Student loan funding F.B.

LENDER'S NAME

227 27TH STREET, LONG BEACH, CA 90810

Career Services  
SIGNATURE

JUN 08 2001

DATE

I certify, under penalty of perjury, that this document is a true and exact copy of the original.	
<u>Linda Anderson</u> (Signature)	<u>5-29-01</u> (Date)
claims examiner (Title)	

# Application and Promissory Note for Federal Stafford Loans (subsidized and unsubsidized)

**WARNING:** Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

## Borrower Section

1. Last Name <b>Ross</b>	First Name <b>Joseph</b>	2. Social Security Number <b>M</b>
3. Permanent Street Address (If P.O. Box, see instructions.) <b>1024 Catherine St PA 19147</b>		4. Telephone Number <b>3198</b>
City <b>Phila</b>	State <b>PA</b>	Zip Code <b>19147</b>
5. Lender Name <b>PNC Bank</b>	City <b>Harrisburg</b>	State <b>PA</b>
Area Code/Telephone <b>(215) 932-8252</b>		Zip Code <b>17105</b>
7. Relationship to Borrower <b>Spouse</b>		
10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.		
Name: <b>Joseph Ross Jr.</b> Permanent Address: <b>1024 Catherine St</b> City, State, Zip Code: <b>Harrisburg PA 17105</b> Area Code/Telephone: <b>(215) 932-8252</b> Relationship to Borrower: <b>Spouse</b>		
1. <input checked="" type="checkbox"/> I request the following loan type(s), to the extent I am eligible (see instructions): <input checked="" type="checkbox"/> a. Subsidized Federal Stafford <input type="checkbox"/> b. Unsubsidized Federal Stafford 2. <input checked="" type="checkbox"/> I request a total amount under these loan types not to exceed (see instructions for loan maximums). My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. 3. <input checked="" type="checkbox"/> If I check yes, I am requesting postponement (deferral) of repayment for my Stafford and/or SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. 4. <input checked="" type="checkbox"/> If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferral periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. 5. <input checked="" type="checkbox"/> If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account.		
<b>\$ 2625 .00</b>		
6. <input checked="" type="checkbox"/> a. Yes, I want a deferral <input type="checkbox"/> b. No, I do not want a deferral 7. <input type="checkbox"/> a. Yes, I want my interest capitalized <input checked="" type="checkbox"/> b. No, I prefer to pay the interest 8. <input checked="" type="checkbox"/> a. Yes, transfer funds <input type="checkbox"/> b. No, do not transfer funds		

## Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions):  a. Subsidized Federal Stafford  b. Unsubsidized Federal Stafford  
 12. I request a total amount under these loan types not to exceed (see instructions for loan maximums). My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement.  
 13. If I check yes, I am requesting postponement (deferral) of repayment for my Stafford and/or SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment.  
 14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferral periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest.  
 15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account.

## Promissory Note

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an award of attorney's fees and costs if I prevail in any action brought by the lender against me and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application, the accompanying Borrower's Rights and Responsibilities statement, and the Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAYED

16. Borrower's Signature **Joseph Ross**

Poor Source Original  
Document Retained

Today's Date (Month/Day/Year)

**3/3/98**

To be completed by an authorized school official.

17. School Name <b>Peirce College</b>	23. School Code/Branch <b>003809</b>	28. Telephone Number <b>215-545-8400</b>
18. Street Address <b>1420 Pine Street</b>	24. Cost of Attendance <b>\$ 18,000.00</b>	29. Recommended Disbursement Day(s) (Month/Day/Year) <b>1st 2nd</b>
City <b>Philadelphia, PA</b>	25. Federal Expected Family Contribution <b>\$ 0.00</b>	3rd 4th
19. Loan Period (Month/Day/Year) From: _____ To: _____	26. Estimated Institutional Aid <b>\$ 0.00</b>	30. School Certification (See box on the reverse side.)
20. Grade Level <b>Undergraduate</b>	27. Certified Loan Amounts <b>a. Subsidized \$ 0.00 b. Unsubsidized \$ 0.00</b>	Signature of Authorized School Official
21. Enrollment Status (Check one) <input checked="" type="checkbox"/> Full Time <input type="checkbox"/> At Least Half Time		Print or Type Name and Title
22. Anticipated Completion (Graduation) Date (Month/Day/Year)		Date
Checkbox if electronically transmitted to guarantor: <input type="checkbox"/>		

## Lender Section

31. Lender Name <b>PNC Education Loan Center</b>	32. Lender Code/Branch <b>809921</b>	33. Telephone Number <b>MAR 20 1998</b>	34. Lender Use Only <b>B28900</b>
Street Address <b>P.O. Box 8175</b>	35. Amount(s) Approved <b>a. Subsidized \$ 0.00 b. Unsubsidized \$ 0.00</b>		
City <b>Harrisburg</b>	36. Signature of Authorized Lending Official <b>RECD UNW/</b>		
State <b>PA</b>	37. Date, Name, Title, and Date <b>1/31/94</b>		
Zip Code <b>17105</b>			

EXHIBIT

1000

A

LENDER COPY

"I declare under penalty of perjury that the foregoing  
is a true and correct copy of the promissory note."

Signature: Todd Marko

Title: Vice President  
Loan Assets Management

Date: May 29, 2008

FOR VALUE RECEIVED, WE HEREBY ASSIGN ALL RIGHT, TITLE AND INTEREST IN THIS PROMISSORY NOTE TO THE PENNSYLVANIA  
HIGHER EDUCATION ASSISTANCE AGENCY (PHEAA)

Student loan funding, F.B.

LENDER'S NAME

2277 E 220TH STREET, LONG BEACH CA 90810

Caesar Anderson

SIGNATURE

JUN 08 2001

DATE

I certify, under penalty of perjury, that  
this document is a true and exact copy  
of the original.

Tasha Anderson 5/29/01  
(Signature) (Date)

Claims Examiner  
(Title)

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

**CERTIFICATE OF INDEBTEDNESS #1 OF 2**

Joseph M. Ross aka Joseph Ross  
1024 Catharine Street  
Philadelphia, PA 19147-2737  
Account No. XXXXX1075

I certify that U.S. Department of Education records show that the BORROWER named above is indebted to the United States in the amount stated below plus additional interest from 06/11/2015.

On or about 03/03/1998, the BORROWER executed promissory note(s) to secure loan(s) of \$2,625.00 from PNC Bank (Harrisburg, PA). This loan was disbursed for \$2,625.00 on 10/16/1998 through 01/06/1999 at a variable rate of interest to be established annually by the Department of Education. The loan obligation was guaranteed by Pennsylvania Higher Education Assistance Agency, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$0.00 to the outstanding principal owed on the loan. The BORROWER defaulted on the obligation on 04/10/2001, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,839.90 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the BORROWER. The guarantor was unable to collect the full amount due, and on 06/23/2008, assigned its right and title to the loan to the Department.

Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the BORROWER now owes the United States the following:

Principal: \$2,839.90

Interest: \$1,641.36

Total debt as of 06/11/2015: \$4,481.26

Interest accrues on the principal shown here at the current rate of 2.33% and a daily rate of \$0.18 through June 30, 2015, and thereafter at such rate as the Department establishes pursuant to section 427A of the Higher Education Act of 1965, as amended, 20 U.S.C. 1077a.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 0/23/15

*Sonia Moore*  
Loan Analyst  
Litigation Support Unit

EXHIBIT

*B*

U. S. DEPARTMENT OF EDUCATION  
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #2 OF 2

Joseph M. Ross aka Joseph Ross  
1024 Catharine Street  
Philadelphia, PA 19147-2737  
Account No. XXXXX1075

I certify that U.S. Department of Education records show that the BORROWER named above is indebted to the United States in the amount stated below plus additional interest from 06/11/2015.

On or about 05/19/1998, the BORROWER executed promissory note(s) to secure loan(s) of \$5,500.00 from PNC Bank (Pittsburg, PA). This loan was disbursed for \$2,625.00 on 04/02/1998 through 04/10/1998 at a variable rate of interest to be established annually by the Department of Education. The loan obligation was guaranteed by Pennsylvania Higher Education Assistance Agency, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$0.00 to the outstanding principal owed on the loan. The BORROWER defaulted on the obligation on 04/10/2001, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$2,840.22 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the BORROWER. The guarantor was unable to collect the full amount due, and on 06/23/2008, assigned its right and title to the loan to the Department.

Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the BORROWER now owes the United States the following:

Principal: \$2,840.22

Interest: \$1,958.71

Total debt as of 06/11/2015: \$4,798.93

Interest accrues on the principal shown here at the current rate of 3.13% and a daily rate of \$0.24 through June 30, 2015, and thereafter at such rate as the Department establishes pursuant to section 427A of the Higher Education Act of 1965, as amended, 20 U.S.C. 1077a.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 6/23/15

Sonia Moaé  
Loan Analyst  
Litigation Support Unit

